

Assembly Bill No. 1049

Passed the Assembly September 9, 2003

Chief Clerk of the Assembly

Passed the Senate September 8, 2003

Secretary of the Senate

This bill was received by the Governor this _____ day of
_____, 2003, at _____ o'clock __M.

Private Secretary of the Governor

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CHAPTER _____

An act to amend Section 791.12 of the Insurance Code, relating to underwriting.

LEGISLATIVE COUNSEL'S DIGEST

AB 1049, Calderon. Insurance: underwriting: information.

Existing law prohibits an insurance institution or agent from reaching specified adverse underwriting decisions, including denial or cancellation of insurance coverage, based on personal information received from an insurance-support organization whose primary source of information is insurance institutions, except that an insurance institution may reach an adverse underwriting decision based on further personal information obtained as the result of information received from an insurance-support organization.

This bill would, in addition, prohibit an insurance institution or agent from basing an adverse underwriting decision on the fact that an individual has previously inquired and received information about the scope or nature of coverage under a residential fire or property insurance policy, if the information is received from an insurance-support organization whose primary source of information is insurance institutions and the inquiry did not result in the filing of a claim.

The people of the State of California do enact as follows:

SECTION 1. Section 791.12 of the Insurance Code is amended to read:

791.12. No insurance institution or agent may base an adverse underwriting decision in whole or in part on the following:

(a) On the fact of a previous adverse underwriting decision or on the fact that an individual previously obtained insurance coverage through a residual market mechanism; provided, however, an insurance institution or agent may base an adverse underwriting decision on further information obtained from an insurance institution or agent responsible for a previous adverse underwriting decision. The further information, when requested, shall create a conclusive presumption that the information is



necessary to perform the requesting insurer's function in connection with an insurance transaction involving the individual and, when reasonably available, shall be furnished the requesting insurer and the individual, if applicable.

(b) On personal information received from an insurance-support organization whose primary source of information is insurance institutions; provided, however, an insurance institution or agent may base an adverse underwriting decision on further personal information obtained as the result of information received from an insurance-support organization.

(c) On the fact that an individual has previously inquired and received information about the scope or nature of coverage under a residential fire or property insurance policy, if the information is received from an insurance-support organization whose primary source of information is insurance institutions and the inquiry did not result in the filing of a claim.



Approved _____, 2003

Governor

